

Mike Little Gas Company, Inc.

P. O. Box 69  
Melvin, Kentucky 41650

May 14, 2004

RECEIVED  
MAY 20 2004  
PUBLIC SERVICE  
COMMISSION

Ms. Beth O'Donnell, Executive Director  
Kentucky Public Service Commission  
P. O. Box 615  
Frankfort, Kentucky 40601

RE: Case No. 2004-00140

Dear Ms. O'Donnell:

Mike Little Gas Company, Inc. ("Mike Little") is seeking to amend its financing application in the above-referenced case. The Department for Local Government's loan conditions state that the utility must meet the requirements of the Davis-Bacon Act. In order to do so, Mike Little must pay wages on its pipeline replacement project at the prevailing wage rate for Floyd County. This requirement will increase the labor costs for the project by \$18,460.80. Enclosed is an amended Attachment D to the application which details the project costs.

In addition, Mike Little received a \$3,715.35 credit adjustment from Equitable Energy for the March production month. Therefore, the amount past due to Equitable Energy should be reduced from \$21,172.23 to \$17,456.88. Enclosed is an amended Attachment A, page 1 of 4.

The net effect of the two adjustments described herein results in an increase of \$14,745.45 for a total financing request of \$130,411.66. If you should need additional information, please contact me at (304) 235-6454.

Sincerely,



Miki Thompson, President  
Mike Little Gas Company, Inc.

cc: Lee Creech  
Department for Local Government

Enclosures

Estimated Gas Line Replacement - Replacement Order Date June 2004

Length: 2,775 feet  
Size: 2 inch

Materials:

Pipe	\$2,040.00
Tracer Wire	240.68
Reducers, Service Ts, Couplings Dressers	267.00
Subtotal	<u>\$2,547.68</u>

Labor:

3 people in addition to employee (2 flagging, 1 helper)	<u>\$24,460.80</u>	See Note below.
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Other:

Backhoe Rental	\$3,950.00
Blacktop Replacement	<u>\$2,500.00</u>
Subtotal	<u>\$6,450.00</u>

Total Estimated Cost of Line Replacement	<u><u>\$33,458.48</u></u>
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Note: It is estimated the replacement will take two months. The labor estimate was calculated as follows:

Contract Workers

Number of workers	3	
x number of months	2	
x hourly rate	22.20	(prevailing base rate in Floyd Co. is \$16.40 plus a fringe benefit rate of \$5.80)
x number of hours in day	8	
x approx. days per month	<u>20</u>	
Contract labor	21,312.00	

In-house Employee

Prevailing wage rate	22.20
Less: Employee's rate	<u>12.36</u>
Additional rate to be paid	9.84
x number of months	2
x number of hours in day	8
x approx. days per month	<u>20</u>
Additional employee labor	3,148.80

Total labor to be funded	<u><u>24,460.80</u></u>
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Delinquent Accounts Payable

Equitable Energy LLC	\$17,456.88
Smith, Goolsby, Art & Reams (CPAs)	3,250.00
Miki Thompson & Winnie Greer (rent)	<u>7,500.00</u>
Total	<u><u>\$28,206.88</u></u>